

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2015/2016

BLE2114

LEGAL ENVIRONMENT IN INTERNATIONAL BUSINESS

(All sections / Groups)

8 OCTOBER 2015
9.00 A.M – 11.00A.M
(2 HOURS)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of 4 pages with 5 Question only.
2. Attempt **FOUR** questions from **FIVE** questions. All questions carry equal marks and the distribution of the marks for each question is given.
3. Please print all your answers in the Answer Booklet provided.

QUESTION 1 (25 Marks)

"Arbitration is an apparently rudimentary method of settling disputes, since it consists of submitting them to ordinary individuals whose only qualification is that of being chosen by the parties". Grace Xavier. (2003). Globalization and International Dispute Resolution, pg 165

- (a) Based on the statement above, discuss the concept of arbitration as an alternative dispute resolution mechanism.

(13 marks)

- (b) Compare arbitration with mediation.

(12 marks)

QUESTION 2 (25 Marks)

Compania MK, a France company, had contracted to build an oil drilling rig for John Harrard & Co Ltd, a company registered in New York. The agreement between the contracting parties stated that;

"...a deposit of US\$3millions shall be paid to the constructors and its repayment in the event of cancellation of the construction shall be by an irrevocable letter of credit issued by a France Bank through a correspondence bank in New York".

The letter of credit is silent as to the law that is to be applied in the event of a dispute. The contracting parties are now involved in a dispute over the performance of the contract and any attempt of amicable negotiation has failed. They have opted for litigation as a form of settling their dispute but they are not in agreement concerning the question of jurisdiction and the proper law to be applied.

Advise the parties involved.

(25 marks)

Continued

Question 3 (25 Marks)

Jurisdiction is an aspect of State sovereignty. Sovereignty has been defined by Judge Alvarez as:

"...the whole body of rights and attributes which a State possesses in its territory, to the exclusion of all other States, and also in its relations with other States. Sovereignty confers rights upon States and imposes obligations on them"

Corfu Channel Case (The United Kingdom v. Albania) 1949

Based on the above statement discuss the significance and relevance of the above case and doctrine on the international law principles relating to principles of jurisdiction.

(25 marks)

Question 4 (25 Marks)

Black Hawk, a German company sold a quantity of Netherlands orange pellet (Cost Insurance Freight) to Chalet, a Dutch company. The pellets were to be used in the manufacture of cattle food. The contract was made on a form of the "Cattle Food Trade Association" which contained the term "shipment to be made in good condition". The consignment in issue was about 3000 metric tonnes and was carried in the Hansa Nord. The contract price was about \$1000,000 but the market price at the time of arrival of the ship had fallen considerably. On discharge from the Hansa Nord the cargo ex hold no. 1 (800 tonnes) was found to be damaged but the cargo ex hold no. 2 (22000 tonnes) was in a good condition. The buyers rejected the whole consignment. The court ordered its sale. It was purchased by a middleman for a sum which amounted to an equivalent of \$29,903.

The middleman sold the pellets the same day for the same price to the original buyers who took them to their factory and used them for the manufacture of cattle food although they received a somewhat smaller quantity of pellets. The outcome of the transaction was that the Dutch buyers managed to buy the goods at much lower price than they had to pay earlier. Advise the purchaser on the issues relating to international trade law.

(25 marks)

Continued

QUESTION 5 (25 Marks)

- (a) Discuss the function of bill of lading in the contract of carriage by sea. Support your answer with decided cases.

(10 marks)

- (a) Explain the following *THREE (3)* charter-parties:-

i. Voyage Charter

(5 marks)

ii. Time Charter

(5 marks)

iii. Bareboat or Demise Charter

(5 marks)

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